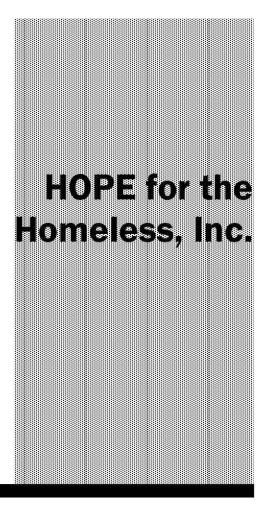
Reviewed Financial Statements Years Ended December 31, 2011 and 2010



Reviewed Financial Statements Years Ended December 31, 2011 and 2010

Table of Contents

Independent Accountant's Review Report	3
Reviewed Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Summary of Significant Accounting Policies	7-8
Note to Financial Statements	9-10
Supplemental Material	
Independent Accountant's Report on Applying	
Agreed-Upon Procedures	12-14
Louisiana Attestation Questionnaire	15-16
Schedule of Findings and Responses	17
Schedule of Prior Year's Findings	18



ione: 318.219.5020 Fax: 318.798.1917 info@ikmcpas.biz



Independent Accountant's Review Report

To the Board of Directors HOPE for the Homeless, Inc. Shreveport, Louisiana

I have reviewed the accompanying statements of financial position of HOPE for the Homeless, Inc. ("The Organization") as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and presentation of the financial statements.

My responsibility is to conduct the reviews in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

fames Demalelland, CPA LLC

Shreveport, Louisiana September 28, 2012

Statements of Financial Position

December 31,	2011	2010
Assets		
Cash	\$11,490	\$11,143
Accounts receivable	22,115	16,321
Grants receivable	8,688	12,119
Total current assets	42,293	39,583
Property and equipment, net (Note 2)	11,521	**
Property held for future development or donation	15,000	=
Total Assets	\$68,814	\$39,583
iabilities (all current) and Net Assets		
Current liability – accounts payable and accrued expenses	\$ 6,387	\$16,505
Net assets – unrestricted	62,427	23,078
otal Liabilities and Net Assets	\$68,814	\$39,583

See accompanying accountant's review report, summary of significant accounting policies and note to financial statements.

Statements of Activities

Years Ended December 31,	2011	2010
Revenues and other support:		
Contractual revenue-grants (Note 1)	\$189,292	\$173,419
Service fees	62,446	55,734
Contributions	61,706	24,296
Special events - fundraising	56,022	1,500
Other	379	197
Total revenues and other support	369,845	255,146
Expenses:		
Salary and benefits	201,691	191,445
Special events	52,718	15,439
Donations	11,300	-
Travel and conference	10,177	9,588
Office supplies and expense	9,576	10,339
Assistance	9,547	8,739
Insurance	8,692	2,909
Professional services	7,113	14,847
Group insurance	6,897	3,971
Board meetings	4,101	2,037
Website	3,344	-
Repairs and maintenance	2,719	-
Depreciation and amortization	1,469	-
Other	1,152	1,363
Postage		258
Total expenses	330,496	260,935
Increase (decrease) in net assets	39,349	(5,789)
Net assets - beginning of year	23,078	28,867
Net assets - end of year	\$ 62,427	\$ 23,078

See accompanying accountant's review report, summary of significant accounting policies and note to financial statements.

Statements of Cash Flows

Years Ended December 31,	2011	2010
Cash flows from operating activities:		
Change in net assets	\$ 39,349	\$ (5,789)
Adjustments to reconcile change in net assets to net		
cash provided (used) by operating activities:		
Noncash contributions, net of noncash donations	(15,000)	55 0
Depreciation expense	1,469	=1
Changes in operating assets and liabilities:		
Change in receivables	(2,363)	892
Change in accounts payable and accrued expenses	(10,118)	1,532
Net cash provided (used) by operating activities	13,337	(3,365)
Cash flows from investing activities -		
Purchase of property and equipment	(12,990)	
Net cash used by investing activities	(12,990)	<u>a.</u>
Net increase (decrease) in cash	347	(3,365)
Cash at beginning of year	11,143	14,508
Cash at end of year	\$ 11,490	\$11,143

See accompanying accountant's review report, summary of significant accounting policies and note to financial statements.

Summary of Significant Accounting Policies

Nature of Activities

HOPE for the Homeless, Inc. (HOPE), is a nonprofit corporation organized under the laws of the State of Louisiana. HOPE was established to help meet the housing and service needs of the homeless in Northwest Louisiana, and help transition them to self sufficiency. Substantially all of HOPE's revenue is from grants provided by the State of Louisiana, membership and service fees, and donations.

Basis of Accounting

The financial statements of HOPE have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Concentrations of Credit Risk

The majority of HOPE's revenue comes from State of Louisiana grants and service fees paid by local agencies. HOPE is therefore heavily dependent on the State government for its operations.

Income Tax Status

HOPE is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization other than a private foundation. HOPE, therefore, is not subject to income taxes.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. Significant estimates made by management are the collectability of recorded receivables and the useful lives of property and equipment.

Cash and Cash Equivalents

HOPE's cash, as stated for cash flow purposes, consists of cash on hand and demand deposits with financial institutions.

Property and Equipment

Property and equipment are stated at cost if purchased, or fair value if donated. Management's policy is to capitalize assets with useful lives greater than one year, regardless of cost. Depreciation and amortization are calculated using the straight-line method over the useful lives of the assets, ranging from three to seven years.

Summary of Significant Accounting Policies

(Concluded)

Revenue and Support

Contributions received may be recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Compensated Absences

Full-time employees begin to earn general leave after six month's employment. Annual leave allowances range from 80 hours per year for employees with less than five years of service to 160 hours per year for employees with over 10 years of service. An employee may accumulate no more than 160 hours annual leave.

Accounts Receivable

Accounts receivable are presented in the accompanying financial statement net of any allowance for doubtful accounts. Management periodically reviews past due accounts to determine if circumstances indicate that all, or a portion, of a customer account will not be collectible. Based on this assessment, management reserves that portion of the receivable deemed to be uncollectible. At December 31, 2011 and 2010, no allowance for doubtful accounts was recorded.

Subsequent Events

Management evaluated events subsequent to the Organization's most recent year end through September 28, 2012, the financial statement issuance date.

Notes to Financial Statements

1. Revenue and Support

During the year ended December 31, 2011, HOPE received contractual revenue from state grants in the amount of \$155,205. Additionally, HOPE received funding totaling \$34,087 from the United States Department of Housing and Urban Development. The continued existence of these funds is based on periodic contract renewals with various funding sources; amounts renewed may differ significantly from those in existence at December 31, 2011. All revenue from these grants is subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries; adjustments in future periods may be necessary as final grant settlements are determined. Such grant revenue is summarized as follows:

	2011	2010
Louisiana Department of Health and		
Hospitals	\$155,205	\$132,613
Louisiana Department of Social Services	•	1,810
U.S. Department of Housing and Urban		
Development	34,087	38,996
	\$189,292	\$173,419

2. Property and Equipment

The major classifications of property and equipment as of December 31, 2011 were as follows:

		2011	2010
Furniture and fixtures	\$	273	\$ -
Equipment	8,853		;=:
Leasehold improvements		3,864	Hale of
	1	.2,990	
Accumulated depreciation and amortization	((1,469)	.es
Property and equipment, net	\$1	1,521	\$ -

Depreciation and amortization expense for property and equipment totaled \$1,469 and \$0 for the years ended December 31, 2011 and 2010, respectively.

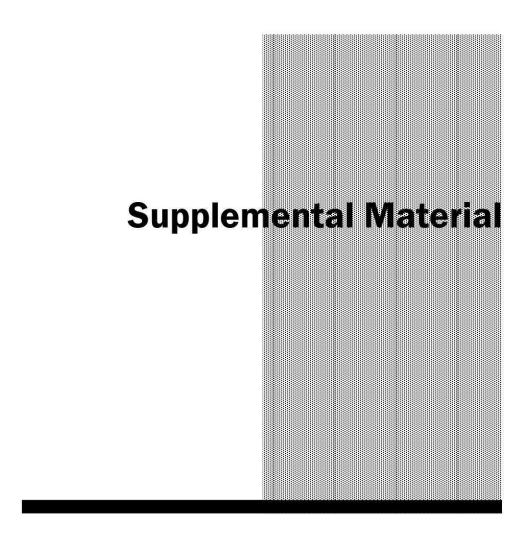
Notes to Financial Statements

(Concluded)

3. Prior Period Adjustment

During the year ended December 31, 2011, it was determined that accounts payable and professional services expense as of and for the year ended December 31, 2010 had been overstated by \$5,000. This error has been corrected in the accompanying financial statements through the restatement of the financial statements for 2010.

The effects of this correction on the Statement of Net Assets as of December 31, 2010 were to decrease current liabilities and increase net assets by \$5,000. The effects of this correction on the Statement of Activities for the year ended December 31, 2010 were to decrease professional services expense and reduce the net decrease in net assets by \$5,000.



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors HOPE for the Homeless, Inc. Shreveport, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of HOPE for the Homeless, Inc. (HOPE) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about HOPE's compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal and State Awards

1. Determine the amount of federal and state award expenditures for the fiscal year, by grant, and grant year.

HOPE's federal and state award expenditures for all programs for the fiscal year follow:

Award	Grant Year	Amount
Louisiana Department of Health and Hospitals, Office of Behavioral Health	7/1/10 - 6/30/11	\$78,178
Louisiana Department of Health and Hospitals, Office of Behavioral Health	7/1/11 - 6/30/12	77,027
United States Department of Housing and Urban Development	7/1/11 – 6/30/12	34,087
Total expenditures		\$189,292

2. For the Louisiana Department of Health and Hospitals, Office of Behavioral Health awards, I randomly selected six disbursements during the year ended December 31, 2011. For United States Department of Health and Urban Development awards, I selected all payroll expenditures.

3. For the items selected in Procedure 2, I traced the disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in Procedure 2, I determined if the disbursements were properly coded to the correct fund and general ledger account.

All payments were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, I determined whether the disbursements received approval from proper authorities.

All items were properly approved.

6. For the items selected in Procedure 2, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed - I reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements complied with the allowability requirements.

Eligibility - I reviewed the previously listed disbursements for eligibility requirements. When applicable, all disbursements complied with the eligibility requirements.

Reporting - I reviewed the previously listed disbursements for reporting requirements. When applicable, all disbursements complied with reporting requirements.

Meetings

7. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as required by LSA-RS 42:1 through 42:12.

HOPE posts a notice of each board or membership meeting on its website, and notifies by e-mail all nonprofits and public entities in North Louisiana of scheduled meetings.

Comprehensive Budget

8. For all grants exceeding five thousand dollars, I determined that each applicable federal or state grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration.

HOPE provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

9. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved. The resolution of these matters is included in the Schedule of Prior Year's Findings.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of HOPE for the Homeless, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agencies, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

James Dem & belland, CPA LLC

Certified Public Accountant

Shreveport, Louisiana September 28, 2012

LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Quasi-public Agencies)

September 28, 2012

James K. McClelland, CPA LLC 8585 Business Park Drive Shreveport, Louisiana 71105

In connection with your review of our financial statements as of December 31, 2011 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 28, 2012

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [X] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [X] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [X] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [X] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes [X] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

To do to	oour up to the		
au x Jan	Secretary_	9/28/12	_Date
A Jan oue	Treasurer	9/28/12	Date
Sould tevers	President_	9/28/12	Date

Schedule of Findings and Responses

Year Ended December 31, 2011

Current Year Finding:

2011-1 Engagement Completion

Instance of non-compliance -

Hope for the Homeless, Inc. failed to comply with state law (LA R.S. 24:513) as the annual report for the year ended December 31, 2011 was not submitted to the Louisiana Legislative Auditor's Office until after June 30, 2012, the statutory due date. An extension was granted until September 30, 2012.

Reason for non-compliance -

Due to an unexpected medical emergency in the family of the auditor, completion of the review engagement was not completed by June 30, 2012, as originally planned.

Management's plan of corrective action -

Management agrees with this finding, but believes that this occurrence was beyond their control. Future filings will be made on a timely basis.

Schedule of Prior Year's Findings

Year Ended December 31, 2011

	Fiscal Year		
	Finding	Description	Corrective
Ref.	Initially	\widehat{of}	Action
No.	Occurred	Finding	Taken

None